GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:286
ANSWERED ON:02.08.2002
DUTY FREE IMPORT OF AGRICULTURAL GOODS
P.C. THOMAS

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government have allowed import of agricultural products from certain countries by reducing the rate of import duty either by half or zero per cent of existing rate of import duty;

(b) if so, the reasons therefor;

(c) the details of agricultural items on which imports duty has been reduced and the names of countries to whom this facility has been given;

(d) the extent to which import of agricultural products has increased as a result thereof; and

(e) the impact of such imports on the prices of domestic agricultural product?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) to (e) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 286 FOR ANS ON 2nd AUGUST 2002 REGARDING DUTY FREE IMPORT OF AGRICULTURAL GOODS

(a) to (b): India is exchanging tariff concessions with certain countries under existing bilateral as well as regional frameworks namely SAARC Preferential Trading Arrangement (SAPTA), Bangkok Agreement, Indo-Nepal Treaty of Trade, India Sri Lanka Free Trad Agreement (ISLFTA) etc.Under these arrangements, negotiations are held on receiving and granting tariff concessions on products, including agricultural products, of export interest to the participating countries.

(c) While concessions under SAPTA are exchanged among SAARC nations, under the Bangkok Agreement presently India has exchanged concessions with Bangladesh, Sri Lanka and Republic of Korea whereas it has bilateral preferential arrangements with Bhutan, Nepal and Sri Lanka.Under SAPTA, concessions have been given to SAARC member countries in respect of various agricultural items as indicated below:-

Peas, beans, lentils, pistachios, areca nuts, dates, figs, oranges, mandarins, lemons, other citrus fruits, grapes, watermelons, papaya, apricots, jackfruit, cloves, nutmeg, mace and lac.

SAPTA also provides for special and more favourable treatment to be given exclusively to the Least Developed Member Countries of SAARC. Under this provision, India allows exclusive and deepened tariff preferences to the LDC member countries.Concessions on various agricultural items under this provision are being given on pineapple, jackfruit, sugar, various preparations of vegetables, fruits, nuts or parts of plants.

Under the Bangkok Agreement, concessions are being given to Bangladesh, Sri Lanka and Republic of Korea on desiccated coconut, cloves, nutmeg, mace, cocoa beans etc. The Bangkok Agreement also provides for special and more favourable treatment to be given exclusively to the Least Developed Member Country i.e. Bangladesh.Though India has granted exclusive and deepened tariff preferences to Bangladesh, none of the agricultural products are covered under this provision. Under the India Nepal Treaty, 100% tariff concessions are given to products originating from Nepal including the agricultural products. However, no concessions are available on alcoholic liquors/beverages and their concentrates except industrial spirits, perfumes and cosmetic with non Nepalese/non Indian brand names and tobacco.

The India Sri Lanka Free Trade Agreement seeks to establish FTA through elimination of tariffs in a phased manner.India has proposed to reduce tariffs across the board on all tariff lines over a period of 3 years, except for a Negative List. On the items in the Negative List, for example Coconut, Copra, Alcoholic beverages and Rubber, no concessions are available for imports from Sri Lanka, while on rest of the items tariff concessions ranging from 90% to 100% are available for imports from Sri Lanka. However, under this Agreement import of tea is allowed under Tariff rate Quota (TRQ) at a preferential duty of 7.5%

(d) & (e): As the data on import of various products is not captured in relation to specific Preferential Trading Arrangements, it is not feasible to indicate the extent to which import of agricultural products has increased as a result of grant of tariff concessions and the impact of such imports on the prices of domestic agricultural products.

The trade data is available only in case of import of tea from Sri Lanka under Tariff Rate Quota (TRQ) allowed under ISLFTAThe import of tea under TRQ under ISLFTA since its operationalisation is as follows:-

(In Million Kgs)

Period	Annual TRQ allotted	Actual allocation of quota	Actual Imports
2000			
(March-December)	11.25	0.48	0.46
2001			
(January-December)	15.00	1.32	0.31
2002			
(January-March)	15.00	0.06	0.20

(This includes 0.147 million kgs of tea imported during 2002 out of the quota allocated during the year 2001 by the Sri Lanka Tea Board)